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TAGS: KWBG OREP PGOV PREL IS ISRAELI PALESTINIAN AFFAIRS GAZA DISENGAGEMENT SUBJECT: DIRECTOR OF NATIONAL SECURITY EILAND PRESENTS

BALANCED VIEW OF FUTURE TO CODEL PELOSI

Classified By: Amb. Daniel C. Kurtzer for reasons 1.4 (b) and (d).

(C) Summary: In a meeting on March 23, Director of National Security Giora Eiland presented Codel Pelosi with his view of the future of the Israeli-Palestinian conflict and the political and security situations in the region. Attempting to balance what he surmised was Vice Prime Minister Peres's more optimistic view of Israel's prospects after disengagement, Eiland discussed his assessment of what Israel should expect in the next four months leading up to and through disengagements, his analysis of the current upheaval in Lebanon, and Iran's nuclear capabilities. CoDel consisted of House Minority Leader Nancy Pelosi and Representatives Henry Waxman, Darrell Issa, Linda Sanchez, Edward Markey, George Miller, Anna Eshoo, and James McGovern. End Summary.

The Two Positions

- (C) Eiland said that he considers the present Israeli-Palestinian situation promising, but he has very real concerns regarding the future. He sees a large gap between the two sides, coming not from differences in substance, but in their perceptions of what the process of peace should be. He predicted that the real difference would become exposed in the next few months. He contrasted Israel's current position with that of the Oslo years. During that time, he said, Israel's focus was on the peace process, building on the idea that through it the two sides could achieve security. With the collapse of Oslo, he said, Israel's faith in that position died. Currently, Israel's hope for the future lies with the roadmap. While the final goals are the same as at Oslo, the sequence for achieving these goals is different; security must come first, leading to peace. From this position, it is impossible to move forward on achieving peace until not just terror, but also the terrorist infrastructure are dismantled.
- 13. (C) The Palestinian position differs considerably from the Israeli, said Eiland. Palestinians focus on their impressive achievements since the death of Yasir Arafat in November 2004. They point to democratization, noting the presidential elections that took place just two months after Arafat's death; economic reforms, such as the new reliable Minister of Defence; the reorganization of security forces; and the improved security situation, what he termed a significant and stable trend. Eiland noted, however, that many of these accomplishments were designed to satisfy the international community, and with the idea that Palestinian leaders through dialogue would persuade the Palestinian people to support peace over Hamas.
- $\underline{\P}4$. (C) In a note of optimism, Eiland said that for the first time there is real trust and a reliable dialogue between the Israeli and Palestinian leaders, giving him a basis for hope that they can bridge the gap between the Israeli and Palestinian perspectives. In answering a question regarding whether or not Israel should present an idea of what final status might look like to the Palestinians, Eiland admitted that this question is debated within Israel. Prime Minister Sharon, he noted, believes that talking about final status issues would start unwanted momentum to start final status negotiations, even if security needs had not yet been met.

President Abbas Appeases Hamas

(C) Eiland contended that upon election, Palestinian President Mahmoud Abbas had assumed that he would have time to create a new political atmosphere under which he could persuade Hamas and other militant groups to abandon violence against Israelis. The lead-up to the historic summit at Sharm-el-Sheikh in February 2005 required Abbas to come to an urgent understanding with these groups regarding the cessation of violence to meet Israeli and American demands. In doing so, however, Abbas paid a high price to Hamas, making them three commitments that will ultimately weaken his position. He promised that he would never force Hamas to dismantle its military capacity and that Hamas would be integrated into the Palestinian political establishment. In addition, Hamas forced Abbas to declare Palestinian strategic goals regarding final status that he will never be capable of delivering. In essence, Eiland said, Abbas sacrificed the long term in favor of the short term.

16. (C) Eiland emphasized the role that Hamas will play in the July elections, predicting that if Hamas gains strength in the elections it will serve as a basis for power sharing in the PLC and other institutions. Hamas will thus succeed in its quest to gain the legitimacy of a true political party without losing its military capacity. If Hamas gains political legitimacy, Eiland warned, the \$30 million that Hamas receives from Saudi Arabia, the weapons it receives from Egypt, and the political decisions made in Damascus will also be legitimized.

The Future of Hamas

- 17. (C) When asked whether Abbas is in a position to make demands of Hamas to disarm, Eiland responded that Abbas does not think he will ever be in such a position. Abbas believes that the only way to reach a cessation of violence is the full integration of Hamas into the Palestinian political system, hoping that with enough political achievements, Hamas will become more moderate with much to lose if it returns to its old cycle of violence. Hamas's vision is that in gaining political legitimacy, it will not need to give up its philosophy (i.e. the destruction of Israel) and will be able to maintain its military capabilities.
- 18. (C) Eiland stated, however, that Israel's expectations of President Abbas are stricter than this agenda, and require him to take actions against Hamas now. Eiland contended that dismantling the terrorist infrastructure consists not only of actions, but also of creating the right atmosphere. In the past, Palestinians who committed acts of violence against Israeli citizens were not adequately punished. Eiland posed the question of how these people will be dealt with in the future. He predicted that if Abbas adapts new values, bringing such criminals to justice, it will lead to a true dismantling of terrorist infrastructure.
- 19. (C) Eiland posited that there is indeed a chance that Hamas, Hizbollah, and other militant groups can transform themselves into purely political movements, especially if Hamas understands that Palestinian popular support is given only to real political movements. Palestinians are sick of violence, he said, Palestinian citizens must force them to change their ways. Unlike Al Qaeda, Eiland remarked, Hamas is sensitive to the feelings of the "street." In responding to a question on Israel's estimation of President Abbas, Eiland challenged that Abbas had been too hasty in making commitments to Hamas, and that Egypt had helped him make these mistakes. Egypt has only one consideration, Eiland said: the \$1.3 billion that the United States gives Egypt in military aid. Worrying that they might lose that money, the Egyptians tried to present themselves as essential and as a stabilizing force in resolving the Israeli-Palestinian conflict.

Prospects for Democracy in Lebanon

- 110. (C) Eiland viewed the current demonstrations against Syria in Lebanon as an opportunity for Lebanese democracy, but warned that there is more than one possible outcome of these events. The most desirable would be that Lebanon becomes an independent, democratic state. On the other hand, the differences between groups in Lebanon that lead to the country's long civil war could once again emerge. Syria's influence would continue through its involvement in Lebanon's economy. In Eiland's third scenario, Iranians would fill the power vacuum left by Syria, fulfilling their interest in exporting the principles of the Iranian revolution in Lebanon, a country with a 35 percent Shia population. In this case, Hizbollah might become even more powerful than before, with the military capability to attack Israel.
- 111. (C) Eiland suggested that one way to ensure the most desirable outcome is for the international community to send a clear message to Lebanon's leaders, not to just those elected after the May elections, but to all potential leaders, demanding the dismantling of all militias in Lebanon.

U.S. Involvement in Iraq

Israel does not like to officially participate in discussions of Iraq, but he was willing to comment that the United States has "clearly made some mistakes there." Despite this, he said was optimistic that Iraqis were beginning to question the increased number of foreign terrorist elements in Iraq, while at the same time continuing to strengthen their democratic system.

Iran's Nuclear Future

 $\P13.$ (C) Eiland said that the stronger position the U.S. is now taking on Iran is "bringing the world together in a united voice" on the issue of Iran's nuclear ambitions. its coordination with the United States, the European Union is now able to be more blunt in its demands on Iran, while also offering Iran a "carrot" and not just a "stick." He warned that if China is not a part of this international front, it will be difficult to take seriously the issue of Tran's nuclear capability at the United Nations Security Council. While Iran will not have nuclear weapons for another two to three years, Eiland explained, it might be completely technologically independent within the next six months, meaning that it will no longer rely on foreign assistance in pursuing nuclear technology.

114. (C) Asked about Israel's position on Iran if there is no UN action in the next six months, Eiland said that Iran's leaders are still sensitive about international legitimacy, and are worried about the growing number of Iranians who are against the regime and identify more closely with Western values. He contended that it would be too dangerous for Iran domestically if it were to become isolated. Iran is pursuing both a civilian nuclear project and a military project simultaneously, he added, and it should accept international demands to inspect both, thereby slowing down the process.

115. (C) Codel Pelosi did not have an opportunity to clear this cable.

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